

## Message Text

CONFIDENTIAL

PAGE 01 LISBON 03890 161908Z  
ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 SS-15 NSC-05 NSCE-00  
/033 W

-----161930Z 023769 /47

O R 161823Z MAY 77 ZFF-4  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC IMMEDIATE 1411  
DEPT. OF TREASURY IMMEDIATE  
INFO AMEMBASSY PARIS

C O N F I D E N T I A L LISBON 3890

FOR SECRETARIES BLUMENTHAL AND VANCE FROM VICE PRESIDENT

PARIS FOR BOEKER AND SYVRUD

E.O. 11652: GDS  
TAGS: ECON, EFIN, EAID, PO  
SUBJ: FINANCIAL ASSISTANCE FOR PORTUGAL

1. HAD A CONSTRUCTIVE DISCUSSION TODAY, MAY 16, WITH PRIME  
MINISTER SOARES AND HIS ECONOMIC TEAM ON MULTILATERAL LOAN  
FOR PORTUGAL, WHICH PRIME MINISTER DESCRIBED AS ESSENTIAL  
FOR SURVIVAL OF DEMOCRACY. THEY EXPRESSED APPRECIATION  
FOR OUR EFFORTS TO DATE, BUT NOTED THEY FACED AN URGENT  
PROBLEM REGARDING TIMING.

2. THE PROBLEM AS THEY DESCRIBED IT IS TWO-FOLD: A) THE  
GOP HAD BEEN LED TO BELIEVE THAT THE MULTILATERAL LOAN  
WOULD BE IN PLACE THIS SUMMER, WHEREAS A MORE REALISTIC  
ESTIMATE IS THIS FALL AT BEST; AND B) THERE ARE DIFFICULTIES  
OF A TECHNICAL NATURE IN DRAWING DOWN THE \$300 MILLION  
ESF STANDBY CREDIT. HENCE, THEY ARE GREATLY CONCERNED  
ABOUT A GAP IN THEIR FOREIGN EXCHANGE POSITION OVER  
THE SUMMER. I ASKED IF AN EXTENSION OF THE SHORT-TERM  
LOAN, COUPLED WITH RENEWED EFFORTS ON OUR PART TO GET  
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EARLY CONTRIBUTIONS FROM OTHER CONSORTIUM MEMBERS,  
WOULD SOLVE THE PROBLEM. THEY INDICATED THIS WOULD BE  
HELPFUL PROVIDED STEPS WERE TAKEN TO RESOLVE THE  
TECHNICAL DIFFICULTIES WITH THE PRESENT LINE OF CREDIT.

3. I TOLD THE PRIME MINISTER THAT WE WANTED TO BE  
AS HELPFUL AS WE COULD, AND THAT I WOULD ASK TREASURY

TO SEND SOMEONE TO PORTUGAL IMMEDIATELY TO RESOLVE  
TECHNICAL DIFFICULTIES AND DISCUSS WITH THEM POSSIBLE  
EXTENSION OF SHORT-TERM CREDIT. I WOULD BE  
GRATEFUL IF YOU WOULD ASK YOUR RESPECTIVE STAFFS TO  
FOLLOW UP WITH EMBASSY LISBON IN WORKING THIS ONE  
OUT.  
CARLUCCI

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, ECONOMIC CONDITIONS, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 16-May-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LISBON03890  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION EUR  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
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**Retention:** 0  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2507464  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FINANCIAL ASSISTANCE FOR PORTUGAL  
**TAGS:** ECON, EFIN, EAID, PO, (SOARES, MARIO ALBERTO NOBRE LOPEZ)  
**To:** STATE TRSY  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/fa214693-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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